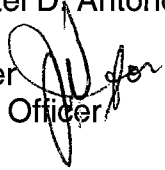# COUNTY OF LOS ANGELES

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May 23, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
           Supervisor Don Knabe, Chair Pro Tem
           Supervisor Gloria Molina
           Supervisor Zev Yaroslavsky
           Supervisor Michael D. Antonovich

From: Jon W. Fullinwider
           Chief Information Officer

Subject: **FEASIBILITY REPORT ON A COMPUTER-BASED FUNDS
           TRACKING SYSTEM – STATUS UPDATE**

At the February 4, 2002 Board meeting on motion by Supervisor Knabe, your
Board instructed the Chief Information Officer (CIO), in conjunction with the Chief
Administrative Office Service Integration Branch (CAO/SIB) and involved County
departments to report back to the Board in 90 days on the feasibility of
developing a computer-based tracking system that indicates what State and
Federal funds are being provided via County Departments to agencies and
organizations throughout the County in the health and human service areas.
The Board motion also requested a review of the Pomona Service Integration
Branch Database Pilot Project.

My staff has reached some preliminary findings on the feasibility of developing a
funds tracking system, but is still reviewing the availability of data required to
meet the minimum requirements for automating the process. Our preliminary
findings, based on meetings with the Fourth and First District Deputies and a
detailed review of the countywide and departmental accounting system
environments, are as follows:

Findings:

1. *There is no single database that maintains a detailed record of all
   warrants issued by the County to outside agencies and organizations.*

In addition to the County Accounting and Purchasing System (CAPS), there are potentially seven (7) other departmental systems that may directly issue warrants to agencies and organizations. Although these systems provide the Auditor-Controller with audit trail information on these warrants, it is not in sufficient detail to support an automated tracking system on an enterprise basis. Further analysis is required to determine the extent to which outside agency and organization payments are made through these departmental systems.

2. *There is currently no database at the County level that links the source of County, State and Federal funding to a particular warrant distributed to outside agencies and organizations.*

   This information is not always available at the time a warrant is issued, may only be available at the department level, is often not available in an automated form or is determined during the fiscal year. Because this information is not available, the Pomona Pilot Project relies on manual input from departments to collect source of funding information. Additional analysis is required to determine the feasibility, benefit and operational impact of using existing "program code" fields in CAPS to identify funding source information for each warrant.

3. *Agencies and organizations receiving payments from the County may only "pass through" agencies and not the ultimate recipient of the funds.*

   For example, a portion of funds received by United Way is passed to other, unidentified agencies. The information on how payments are distributed from these "pass through" agencies is not collected nor maintained within the County. The County only retains information on payments made directly to vendors.

4. *Agencies and organizations may be listed multiple times in the CAPS vendor file.*

   Summarizing the correct amount of funds distributed to agencies and organizations is problematic because there are multiple warrant writing systems in the County and each one stores vendor information in disparate ways due to inadvertent variations in names, the assignment of multiple vendor numbers to the same vendor, the use of a miscellaneous vendor code and different vendor files that are used for each of the warrant writing systems.

Funds Tracking System Data Model:

Based on our analysis of the requirements for an Automated Funds Tracking System, the following is a proposed list of the minimum data elements that must be available in a central system:

Program code	Source of funding by program
Department	Department authorizing payment
Agency	Agency receiving payment
Category	Type of service performed (CAPS object)
Warrant date	Date warrant issued
Warrant amount	Amount of warrant issued

Pomona Pilot Project

In reviewing the Pomona Pilot Project with staff from the CAO/SIB and the First District Deputy, it was clear that the current County accounting environment could not support the data requirements for tracking the source of funds and their distribution to health and human service agencies serving Pomona. Given that the required Information is not available in CAPS, this study relies on a manual data collection effort at the involved department level.

After reviewing the Pomona Pilot Project's manual data collection process, my staff made recommendations to the CAO/SIB on a strategy to automate and standardize the data collection, analysis and reporting functions for the project. When implemented, these recommendations will greatly simplify the process for maintaining the Pomona Pilot Project data in a standard format, and provide an interactive reporting and analysis capability to your Board. However, at the department level, organizing this data for input into the system will still be an arduous and error prone process.

Vendor Payment Tracking Report

The Auditor-Controller's Countywide Reporting Database (CWRD) provides departments with a data warehouse for the development of queries and reports on a departmental or countywide basis for information provided in CAPS. A new report template(s) can be developed to report all CAPS payments to outside organizations and agencies by vendor name or identification number for user specified periods of time (i.e. monthly, fiscal year, etc.) This data is currently available in the CWRD however, <u>the issues identified in our preliminary findings limit the reliability and comprehensiveness of the information presented in the reports</u>.

Although the new reporting capability may provide an interim solution for meeting some of the goals for a tracking system, the County's strategic plan to implement a new enterprise financial system (LACAS) will further improve the tracking of payments to vendors by:

- Consolidating payments under a single or limited number of warrant writing systems,
- Improving the use of programmatic coding in the Chart of Accounts,
- Cleaning-up the vendor data during conversion and limiting the use of miscellaneous vendor codes,
- Improving the tracking of contracts by which vendors are paid, and
- Automated data for reconciliation of all warrant writing systems.

Tracking the revenue source associated with a warrant will still be difficult, but may be improved upon in the design of the new Chart of Accounts that incorporates program codes identifying the source(s) of funding by program type.

The information in this report describes our preliminary findings to date. A final report on the feasibility of an automated tracking system for County, State and Federal payments to health and human services agencies and organizations, and a prototype reporting system will be submitted in 45 days.

If you need additional information on the status of the feasibility study or the request for a 30-day extension, please contact me at 213.974.2008 or John McIntire, of my staff, at 213.974.2154

JWF:JM:ygd

c: Chief Administrative Officer
      Chair, Information Systems Commission
      County Counsel
      Executive Officer, Board of Supervisors
      Alisa Drakodaidis, CAO/SIB